



STATE OF THE COUNTY OF ORANGE, CALIFORNIA
JANUARY 31, 2006

I'd like to begin this morning by once again thanking my colleagues for electing me to another term as Chairman of this Board. It's an honor I take very seriously. And, as you heard last week, I have some specific ideas about what 2006 should mean for the County of Orange.

2006 will be a year of deliberative self-examination, analysis and action – all with an eye toward answering the question I posed to my colleagues and our CEO last week, “What business are we in?”, and its normative follow-up, “What business should we be in?”

Last week, I proposed implementing various performance measurements aimed at ensuring that our business is in line with our vision. It's an axiom in the business world: when you start measuring outcomes, behavior begins to change.

At the County, we've witnessed changes for the better in departments' use of Administrative Leave. It's no surprise: we asked the CEO to begin measuring the use of Admin Leave and issuing regular reports to the Board, and now we're seeing across-the-board reductions – a very positive, cost-saving development.

The Quarterly IT Report and the monthly Internal Audit Report are also good examples of achieving positive changes through regular measuring and reporting.

I'd like to take time now to review 2005, another year of remarkable accomplishments, long-awaited milestones and unique challenges overcome. I've had to whittle down a very long list of departmental achievements.

After marking the tenth anniversary of the largest municipal bankruptcy in American history, County bonds consistently receive the highest possible rating from the top rating agencies. We're reaping the benefits of strict financial oversight in the past decade. Our debt restructuring plan was hailed by Wall Street investors and featured in the *Bond Buyer* newspaper as the “Deal of the Year”.

The County Executive Office deserves continued recognition and thanks for its forward-thinking approach to managing taxpayer dollars and for the diligent fiscal management and transaction preparation that has restored investor confidence.

2005 greeted Orange County with record-breaking storms that took several homes, threatened many more, and ended the life of a young girl in Silverado.

The Emergency Operations Center at Loma Ridge was activated several times during the winter storms, and our requests for emergency declarations were granted by the Governor and the President. As a result, Bill Tidwell's RDMD Operations and Maintenance personnel and equipment, with the support of the Sheriff's Department, the Health Care Agency and other partner agencies, met the winter storms head-on, repairing storm drains, buckled streets and sidewalks, and fortifying hillsides.

The collaborative efforts of RDMD, CEO/Legislative Affairs and our Washington, DC advocate, Jim McConnell, resulted in a \$62-million federal appropriation for the Santa Ana River Mainstem Project, which will increase the capacity of our flood-control channels, as well as restore important watershed areas and replenish beaches where the river meets the ocean in Newport Beach.

In November 2004, California voters approved Proposition 63, the Mental Health Services Act. Since that time, our Health Care Agency has been busy preparing the County's three-year implementation plan with the input and effort of over 4,000 people. Last year, that planning process was completed, and the County stands ready to deploy \$25 million in Mental Health Services Act funding to provide essential, mental health services to children, adults and older Orange Countians, providing them with hope for a bright future free from the tethers that frequently accompany mental illness.

A significant first step was taken in the effort to expand health care coverage for Orange County's children. HCA produced a report on the status of uninsured children in Orange County and has helped to facilitate the local Children's Health Initiative. In support of these efforts, the Board of Supervisors has approved a plan that will increase outreach efforts targeting the estimated 19,000 Orange County children who are eligible for Medi-Cal or Healthy Families but are not currently enrolled, as well as increase retention of those children who are already enrolled.

The Housing and Community Services Department has a \$10-million feather in its cap after securing the "Continuum of Care" grant on behalf of the entire county for homeless assistance – this after conducting the first-ever "Point in Time" census of homeless persons in Orange County. Over 150 public- and private-sector volunteers worked through a cold January night last year and into the morning in order to get an accurate accounting of our homeless population.

The Veterans Service Office received and processed over \$6 million in claims from our local veterans. And the Senior Non-Emergency Medical Transportation program provided 77,486 trips last year to older Orange Countians with no access to other forms of transportation.

HCS oversaw the opening of 414 county-financed, affordable housing units in four new developments.

HCS and its Director, Paula Burrier-Lund, assumed leadership of the Orange County public-private partnership created in response to hurricanes Katrina and Rita. Orange County provided immediate and longer-term housing and relief services to over 1,000 evacuees from the Gulf Coast.

I want also to thank HCS and Paula for the remarkable success of the 2005 County employees food drive. Together, we donated ten tons of food, yielding well over 40,000 meals in our campaign to end hunger in Orange County. Social Services Agency employees alone donated over 5,000 pounds of food, making SSA the largest contributor in our food drive.

Under SSA's Family Self-Sufficiency (welfare-to-work) Program, Orange County families receiving public assistance maintained a monthly average of 45% participation. That's almost double the statewide average of welfare families participating in the federal work program – yet another statistic illustrating just how unique this county of ours is. In Orange County, the goals of economic self-sufficiency and family well-being are more powerful and more attractive than continued dependence on government aid.

SSA collaborated with the Public Guardian to save over \$20 million in assets for victims of elder and dependent adult abuse.

I'm sure Second District Supervisor Jim Silva will mention the accomplishments of John Wayne Airport, but I want to specifically commend the airport and its Director, Alan Murphy, for completing the financial analysis of the Settlement Amendment Implementation Plan and submitting a sound plan for a Passenger Facility Charge to the federal government for approval.

In March, the airport coordinated a full-scale emergency exercise involving a simulated disabled aircraft. 50 agencies, 15 hospitals and some 500 people – first responders as well as volunteer victims – participated.

Now, I'd like to turn to the County's public safety function. I think we can all agree that ensuring the public's safety is our most important job. Every year, Orange County cities are consistently featured in America's-safest-cities lists, thanks in no small part to Sheriff Michael Carona and the Orange County Sheriff's Department.

While Orange County is home to some of the safest cities in America, the threat of domestic terrorism is very real, as we all know. Sheriff Carona takes that threat very seriously. Just last week, this Board approved the Sheriff's receipt of some \$7 million in homeland security grant funding passed through the state from the federal government. Those funds will support the defense of the entire Orange County Operational Area.

The Orange County Sheriff's Department is a leader in homeland security not just for the county region but also for the entire state. The Sheriff's Training Division conducted "Emergency Response to Terrorism Incidents" classes for 5,000 first responders from all over the state.

In Orange County, the public can access information about released sexual predators living in the county on the Sheriff's Web site. Parents can obtain up-to-date information on the whereabouts, and even see photos, of the highest-risk offenders living among us.

Sheriff Carona worked very closely last year with community groups in order to introduce another important law-enforcement tool – cross-deputization of select members of his staff with Immigration and Customs Enforcement powers. Our deputies will have the authority to directly inquire – and do something – about the immigration status of people committing crimes in our neighborhoods. I look forward to seeing the Sheriff's final proposal.

The Sheriff's Department also played a key role in the County's contribution to Hurricane Katrina relief efforts. Just days after the hurricane struck, Orange County Sheriff's personnel packed a caravan full of supplies, equipment – including shirts with the word "POLICE" emblazoned on the front and back to make up for the loss of uniforms – and drove to New Orleans to assist their fellow law enforcement officers.

Last year, there were several high-profile criminal cases in our Orange County Superior Court. Our District Attorney and his staff prevailed in each of them,

- securing the conviction of Alejandro Avila, the monster who kidnapped, raped and killed Samantha Runnion. Avila received a death sentence, thanks to Orange County prosecutor David Brent.

- Jeffrey Hambarian, who embezzled millions of taxpayers' dollars, is behind bars.

- The three young men who raped and humiliated a sixteen-year-old girl were each convicted and will serve time in a state prison, thanks to the vigorous prosecution team led by Chuck Middleton.

- And the largest medical insurance fraud ring in the nation was busted after DA investigators discovered they'd collected \$15 million in fraudulent claims from insurance companies.

We welcomed a new Chief Probation Officer last year. Colleene Preciado hit the ground running with the intelligent, effective, forward-looking management we'd grown accustomed to with former chief Stephanie Lewis. Completion of the

Youth Leadership Academy in the City of Orange is expected this year and much-needed improvements are being made at a rapid clip to more remote institutions like Los Piños. She recognizes the essential role Probation plays in law enforcement and in keeping our neighborhoods as safe as possible, which is why of the 985 adult Probation reports submitted to the Court last year, 100% made it on time.

Probation also takes its role in victim services very seriously, having collection over \$3.1 million in court-ordered restitution for victims of crime.

Colleene also recognizes the importance of keeping up with law-enforcement technology and innovation. When a majority of California voters approved Proposition 69 – the DNA Fingerprint, Unsolved Crime and Innocence Protection Act – the Probation Department seized the opportunity to collect and store DNA information from both adult and juvenile felons. Almost 4,000 samples have been collected since the program started in May 2005.

Our Probation Department also played a lead role in developing legislation signed by Governor Schwarzenegger allowing for the continuous, electronic monitoring of high-risk probationers on a cost-recovery basis.

Orange County was also in the national news last year after eight-term Congressman Chris Cox resigned his seat in the House to serve as President Bush's appointee to head the Securities and Exchange Commission. His departure triggered a number of special elections.

Our Registrar successfully conducted six elections last year. The eSlate electronic voting system has been tested. And tested. And tested. I'm proud to say it works and has earned the confidence of Orange County's voters; I'm confident its certification will be upheld as the state's remaining Help America Vote Act compliance issues are resolved.

On Election Night, Registrar staff are equipped with GPS equipment that allows them to pinpoint problems reported from polling places. And voters can track election results and watch video of the Registrar Operations Center in real time from home on their personal computers – another "first-in-the-nation" for Orange County.

And, speaking of technology innovations, every County of Orange branch library was fully equipped with "Wi-Fi" wireless Internet access last year.

I would like to thank Tom Daly, Orange County's Clerk-Recorder, for making County Archivist Phil Brigandi available to educate this Board on a monthly basis about important historic events in our county.

Congratulations to Deborah Kwast, our Public Defender, on her office's being named Community Partner of the Year by the Public Law Center.

Now I'd like to turn to my colleagues for a year-in-review from a district-specific perspective. Let's begin with the First District. Supervisor Correa?

Supervisor Silva?

Vice Chairman Norby?

Supervisor Wilson?

In the Third District, we witnessed a significant transfer of ownership. The Lennar Corporation won the Navy's land auction for El Toro and took title to the former Marine base last year.

After a year of deliberations among the Great Park Corporation Board, the public and the news media, Ken Smith of New York has been selected as Architect of the Orange County Great Park, and the debate over the use of El Toro is finally over.

The City of Tustin is moving forward with the development of the former MCAS, Tustin, and we are working with them to protect the iconic blimp hangar.

Other significant land-use decisions affecting the Third District were made last year. The Irvine Company secured entitlements to develop the second phase of its Santiago Hills development and expand housing in the East Orange area near Irvine Lake – as well as its approval from the City of Anaheim to proceed with its Mountain Park development plan for east Anaheim Hills. The City of Brea and the County reached agreement on the Tonner Hills annexation.

We also had some significant public works projects in the Third District, including sewer main replacement throughout the unincorporated area of North Tustin. The County worked closely with the Orange County Sanitation District and the community to ensure that the project was as efficient as possible.

And while not a County public works project, a significant change for the North Tustin area was recognition by the U.S. Postal Service of the designation "North Tustin" for the 92705 Zip Code. This was a joint effort, and I thank former Congressman Chris Cox for assisting my office in convincing the Postal Service to agree to this change.

The work of the County, though, is not limited to major, regional services and strategic role-playing. Last year, an 86-year-old constituent from Yorba Linda contacted my office because a flood control channel the County failed to record as its own was failing, threatening damage to his and other adjacent property.

The County took immediate steps to accept the channel into the flood-control system and got to work immediately to restore it before damage extended even further.

I am also pleased that the County has moved forward with plans to extend the Esplanade Trail in North Tustin by purchasing additional railroad right-of-way and completed plans for planting and landscaping of the extension areas.

And in response to reports of illegal, commercial horse boarding in unincorporated Orange Park Acres, my office conducted an exhaustive series of community stakeholder meetings in order to arrive at a compromise solution that would preserve OPA's traditional equestrian identity without overly intrusive bureaucratization. With the support of the community, RDMD Planning staff, and the Planning Commission, my colleagues supported the Zoning ordinance now in effect in Orange Park Acres. Thank you again for your support.

Regional parks in the district upgraded children's playground equipment and restroom facilities. And Holderman Park, a local park serving the unincorporated area in North Tustin, now has planned improvements to the playground and surrounding areas.

And I'm pleased to report that the City of Villa Park is very much alive and well after my fellow LAFCO commissioners and I adopted the results of a first-of-its-kind municipal services review. The designation of coterminous spheres of influence was important to all residents of Villa Park.

Colleagues, Mr. CEO, I'm proud to say 2005 was another year of great achievement for the County of Orange. Like 2006 surely will, 2005 brought a new set of challenges, some unlike any we'd seen before. We responded. But nowadays we do more than just respond to challenges. We take forward-looking action and will do more of it in the year before us. We're a world away from financial mess we were in ten years ago, but we have more to do. Much more. I sincerely look forward to it.

Thank you very much.

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Delivered by Orange County Supervisor Bill Campbell
Chairman of the Board
Supervisor, Third District
January 31, 2006
Robert E. Thomas Hall of Administration
Santa Ana, Calif.

